

EXHIBIT B

GACC, LLC
D/B/A SHENANIGANS AND
RUNWAY 7 FASHIONS, INC.

MASSOUD & PASHKOFF, LLP
Attorneys At Law

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New York, NY 10019
Tel. (212) 207-6771

Ahmed A. Massoud, Esq.
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August 23, 2019

BY REGULAR & ELECTRONIC MAIL

Shelley Abel, Esq.
United States Trustee
U.S. Bankruptcy Administrator Office
402 W. Trade Street, Suite 200
Charlotte, North Carolina 28202-1669

Re: Bon Worth, Inc.
U.S. Bankruptcy Court, W.D. North Carolina
Chapter 11 Case No.: 19-10317

Dear Ms. Abel:

Our firm represents GACC, LLC d/b/a Shenanigans, a creditor of Bon Worth, Inc. and plaintiff in an action pending in the United States District Court, Southern District of New York, GACC, LLC v. BonWorth, Inc., Case No.: 17-cv-02863, wherein our client has asserted monetary claims against BonWorth in the amount of \$445,066.65 for breach of contract. The claims asserted in said action arise from the failure to pay for goods delivered to and accepted and sold by BonWorth. Presently, discovery has been completed and our client's motion for summary judgment is *sub judice*.

We also represent Runway 7 Fashions, Inc., a creditor of Bon Worth, Inc. and counterclaim plaintiff in an action presently pending in the United States District Court, Southern District of New York, BonWorth, Inc. v. Runway 7 Fashions, Inc., Case No.: 17-cv-09712, wherein our client has asserted monetary claims against BonWorth in the amount of \$429,121.00, for the failure to pay for goods delivered to and accepted and sold by BonWorth. The parties filed motions for summary judgment and, by way of an Opinion & Order issued on July 16, 2019, the Court granted our client's motion as to liability and denied BonWorth's motion in its entirety and directed the parties to provide their trial submissions by August 20, 2019. Four days prior to the date assigned by the Court, BonWorth commenced the above-referenced Chapter 11 case.

Upon review of the petition filed in this case, we discovered that BonWorth failed to list either of our clients on Form 204 as creditors who have the 20 largest unsecured claims against it although, other than Beginning Industry Co., Ltd., our clients hold unsecured claims larger than any other creditor listed by BonWorth.

Shelley Abel, Esq.
United States Trustee
August 23, 2019
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Under cover of letter dated August 19, 2019, a copy of which is enclosed herewith, I brought this issue to the attention of BonWorth's bankruptcy counsel, Paul R. Baynard, Esq., but, unfortunately, Mr. Baynard has not provided any response.

In addition, I also advised Mr. Baynard of BonWorth's failure to list other creditors with much larger unsecured claims than those it listed on its schedule. Specifically: (a) Double Take Fashions, Inc., plaintiff in Double Take Fashions, Inc. v. BonWorth, Inc., pending in the Supreme Court of the State of New York, County of New York,, Index No.: 654904/2017, with a claim of \$750,000.00+; (b) Renshun Associates, LLC, plaintiff in Renshun Associates, LLC. v. BonWorth, Inc., pending in the United States District Court, Southern District of New York, Case No.: 17-cv-09386, with a claim in excess of \$92,000.00; and (c) GMC Mercantile Corp., the plaintiff/judgment-creditor in GMC Mercantile Corp., Inc. v. BonWorth, Inc., in the Supreme Court of the State of New York, County of New York,, Index No.: 653931/2016, with a \$227,284.29 unsatisfied judgment against BonWorth.¹ In this regard, it is clear that BonWorth has improperly stacked the unsecured creditors' committee with "friendly" creditors, and purposefully omitted creditors with much larger claims.

Based on the foregoing, it is respectfully submitted that, at a minimum, our clients are entitled to representation on the Unsecured Creditors' Committee, and we request that you consider GACC, LLC and Runway 7 Fashions Inc. for service on such committee.

Very truly yours,

Ahmed A. Massoud

AAM:oi
encl.

cc: Paul R. Baynard, Esq. (Via e-mail)
Amy Purwin Hunt, Esq. (Via e-mail)

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BonWorth also failed to list IHS Concepts, Inc., plaintiff in IHS Concepts, Inc. v. BonWorth, Inc., brought in the Superior Court of California, County of Los Angeles, Case No.: BC 690530, asserting claims for \$2,000,000 in damages, which action was transferred and consolidated with BonWorth, Inc. v. IHS Concepts, Inc., in the United States District Court, Western District of North Carolina, Case No.: 18-cv-00076.

Ahmed Massoud

From: Ahmed Massoud
Sent: Monday, August 19, 2019 12:53 PM
To: pbaynard@horacktalley.com
Cc: Lisa Pashkoff
Subject: BONWORTH, INC., U.S. Bankruptcy Court, W.D. North Carolina, Chapter 11 Case No.: 19-10317
Attachments: Paul Baynard Ltr - 2019.08.19.pdf
Importance: High

Dear Mr. Baynard –

Please see attached letter in connection with the above referenced matter.

Ahmed A. Massoud, Esq.
Massoud & Pashkoff, LLP
1700 Broadway – 41st Floor
New York, New York 10019
(212) 207-6771

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Ahmed A. Massoud, Esq.
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August 19, 2019

BY REGULAR & ELECTRONIC MAIL

Paul R. Baynard, Esq.
Horack, Talley, Pharr & Lowndes, P.A.
301 S. College Street, Suite 2600
Charlotte, North Carolina 28202-6006

Re: Bon Worth, Inc.
U.S. Bankruptcy Court, W.D. North Carolina
Chapter 11 Case No.: 19-10317

Dear Mr. Baynard:

Our firm represents GACC, LLC d/b/a Shenanigans, a creditor of Bon Worth, Inc. and plaintiff in an action presently pending in the United States District Court, Southern District of New York, GACC, LLC v. BonWorth, Inc., Case No.: 17-cv-02863, wherein our client has asserted monetary claims against BonWorth in the amount of \$445,066.65 for breach of contract.

We also represent Runway 7 Fashions, Inc., a creditor of Bon Worth, Inc. and counterclaim plaintiff in an action presently pending in the United States District Court, Southern District of New York, BonWorth, Inc. v. Runway 7 Fashions, Inc., Case No.: 17-cv-09712, wherein our client has asserted monetary claims against BonWorth in the amount of \$429,121.00, also for breach of contract.

We are advised that BonWorth filed the above referenced Chapter 11 case on Friday, August 16, 2019 and, upon review of the petition filed in said case, we discovered that your client failed to list either of our clients on Form 204 as creditors who have the 20 largest unsecured claims against BonWorth. This, despite the fact that, other than Beginning Industry Co., Ltd. – which is listed on said schedule, our clients appear to have the second and third largest unsecured claims against BonWorth.

We also note that BonWorth has likewise failed to list other creditors with much larger unsecured claims than those it listed on its schedule. Specifically: (a) Double Take Fashions, Inc., plaintiff in Double Take Fashions, Inc. v. BonWorth, Inc., pending in the Supreme Court of the State of New York, County of New York,, Index No.: 654904/2017, with a claim in excess of \$750,000.00; (b)

Paul R. Baynard, Esq.
Horack, Talley, Pharr & Lowndes, P.A.
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Renshun Associates, LLC, plaintiff in Renshun Associates, LLC. v. BonWorth, Inc., pending in the United States District Court, Southern District of New York, Case No.: 17-cv-09386, with a claim in excess of \$92,000.00; and (c) GMC Mercantile Corp., the plaintiff/judgment-creditor in GMC Mercantile Corp., Inc. v. BonWorth, Inc., in the Supreme Court of the State of New York, County of New York,, Index No.: 653931/2016, with a \$227,284.29 judgment against BonWorth. In this regard, each of the afore-named creditors has a claim well in excess of those purportedly held by many of the individuals/entities listed by BonWorth on its Form 204 filing.

I believe it is important that your client immediately file an amended Form 204 to accurately list and reflect the 20 largest unsecured creditors as its failure to do so adversely affects and impacts such individuals'/entities' right to serve on the unsecured creditors committee.

I am available to discuss this matter and resolve same amicably, and can be reached at (212) 207-6771.

Very truly yours,

Ahmed A. Massoud

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